

1 SB409
2 114908-2
3 By Senator Bedford
4 RFD: Finance and Taxation General Fund
5 First Read: 11-FEB-10

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8 SYNOPSIS: Under existing law, boat trailers are
9 specifically exempt from the payment of license
10 taxes and registration fees.

11 This bill would impose annual license taxes
12 and registration fees on boat trailers and personal
13 watercraft trailers. This bill would provide for
14 the distribution of the additional revenue
15 collected pursuant to the imposition of the annual
16 license taxes and registration fees on boat
17 trailers and personal watercraft trailers.

18
19 A BILL

20 TO BE ENTITLED

21 AN ACT

22
23 To amend Section 40-12-240 and Section 40-12-252,
24 Code of Alabama 1975, relating to the annual license taxes and
25 registration fees imposed on motor vehicles, to impose the
26 license taxes and registration fees on boat trailers and

1 personal watercraft trailers; and to provide for the
2 distribution of the additional revenue.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-12-240 and Section 40-12-252,
5 Code of Alabama 1975, are amended to read as follows:

6 "§40-12-240.

7 "For the purpose of this article, the following
8 terms shall have the respective meanings ascribed by this
9 section:

10 "(1) ESTABLISHED PLACE OF BUSINESS. A place actually
11 occupied either continuously or at regular periods at or from
12 which a business or a part thereof is transacted.

13 "(2) FARM TRACTOR. Every motor vehicle designed and
14 used primarily as a farm implement for drawing plows, mowing
15 machines, and other implements designed and used for
16 agricultural purposes and only incidentally moved upon public
17 highways.

18 "(3) FULL-TIME SALESPERSON. A person whose principal
19 income is derived from selling motor vehicles for a licensed
20 dealer and the income is reflected on the dealership payroll
21 for the withholding of income taxes on income derived from
22 motor vehicle sales.

23 "(4) GROSS VEHICLE WEIGHT. Whenever used in Section
24 40-12-248, or elsewhere in this section, the empty weight of
25 the truck or truck tractor, plus the heaviest load to be
26 carried and, in the case of combinations, the empty weight of
27 the heaviest trailer with which the power unit shall be placed

1 in combination, plus the heaviest load to be carried. The
2 intent being that all licenses which are levied on the basis
3 of the "gross vehicle weight" of the vehicle plus the heaviest
4 load to be carried, as "gross vehicle weight" is hereinabove
5 defined, shall be collected and enforced uniformly.

6 "(5) MOTORCYCLE. Every motor vehicle designed to
7 travel on not more than three wheels in contact with the
8 ground, including motor scooters and motor bicycles, but not
9 including farm tractors.

10 "(6) MOTOR VEHICLE. Every vehicle which is
11 self-propelled, every vehicle which is propelled by electric
12 power, and every vehicle that is drawn by a self-propelled
13 vehicle, including every trailer and semitrailer.

14 "(7) MOTOR VEHICLE DEALER. Every person currently
15 licensed under Section 40-12-390, et seq. as a new motor
16 vehicle dealer, as a used motor vehicle dealer, or licensed
17 under Section 40-12-169 and engaged in the business of buying,
18 selling, or exchanging of trailers, semitrailers, or
19 manufactured homes.

20 "(8) MOTOR VEHICLE MANUFACTURER. Every person
21 engaged in the business of constructing or assembling vehicles
22 or manufactured homes with manufacturing facilities located
23 within this state.

24 "(9) MOTOR VEHICLE REBUILDER. Any person engaged in
25 the business of making or causing to be made extensive
26 repairs, replacements, or combinations of different motor
27 vehicles to the extent of extinguishing the identity of the

1 original vehicle to the extent that the finished motor vehicle
2 is required to be assigned a new identification to be issued
3 by the Department of Revenue under Chapter 8 of Title 32.

4 "(10) MOTOR VEHICLE RECONDITIONER. Any person
5 engaged in the business of refurbishing, repairing, or
6 replacing damaged parts of motor vehicles for the purpose of
7 preparing the vehicle for resale under the same identification
8 and identity that the vehicle bore before the refurbishing.

9 "(11) MOTOR VEHICLE WHOLESALER. Any person engaged
10 in the business of buying, selling, or exchanging motor
11 vehicles at wholesale to motor vehicle dealers, as defined in
12 this article, and not to the public.

13 "(12) MUNICIPALITY. Any incorporated city or town in
14 this state.

15 "(13) NONRESIDENT. Every person who is not a
16 resident of this state.

17 "(14) OWNER. Any of the following:

18 "a. A person or persons holding the legal title to a
19 motor vehicle.

20 "b. The mortgagor or conditional vendee of a vehicle
21 that is the subject of a chattel mortgage or an agreement for
22 the conditional sale thereof or other like agreement with the
23 right of purchase upon performance of the conditions stated in
24 the agreement and with the immediate right of possession
25 vested in the mortgagor or conditional vendee.

26 "c. The lessee of a vehicle owned by the United
27 States of America or any of its agencies or instrumentalities.

1 "(15) PERSON. Every individual, firm, partnership,
2 association, estate, trust, or corporation, and the receiver,
3 assignee, agent, administrator, or other representative of any
4 of them.

5 "(16) PRIVATE PASSENGER AUTOMOBILE. Every motor
6 vehicle designed primarily for the transportation of nine
7 persons or less except the following:

8 "a. Motorcycles.

9 "b. Motor vehicles used in the transportation of
10 persons for hire.

11 "c. Trailers or semitrailers.

12 "d. Self-propelled campers or house cars including
13 every motor vehicle of the type usually referred to as a bus
14 which is owned and operated by an individual for personal or
15 private use and not for hire, rent, or compensation. Motor
16 trucks of the type commonly known as "pickups" or "pickup
17 trucks," regardless of the use made of any such motor trucks
18 and regardless of whether the owner thereof owns or has access
19 to any other mode of transportation, shall not be deemed to
20 constitute a private passenger automobile.

21 "(17) PUBLIC HIGHWAY. Every highway, road, street,
22 alley, lane, court, place, trail, drive, bridge, viaduct, or
23 trestle, located either within a municipality or in
24 unincorporated territory, and laid out or erected by the
25 public or dedicated or abandoned to the public or intended for
26 use by or for the public. The term "public highway" shall
27 apply to and include driveways upon the grounds of

1 universities, colleges, schools, and institutions, but shall
2 not include private driveways, private roads, or private
3 places not intended for use by the public.

4 "(18) SELF-PROPELLED CAMPERS or HOUSE CARS. A
5 self-propelled motor vehicle designed and used primarily for
6 mobile living quarters. The living quarters on self-propelled
7 campers or house cars are constructed as an integral part of
8 the motor vehicle and are not detachable. Self-propelled
9 campers or house cars are commonly known as motor homes.

10 "(19) SEMITRAILER. Every vehicle without motive
11 power designed for carrying persons or property and for being
12 drawn by a motor vehicle and so constructed that some part of
13 its weight and some part of its load rest upon or are carried
14 by another motor vehicle.

15 "(20) STATE. A state, territory, or possession of
16 the United States, the District of Columbia, the Commonwealth
17 of Puerto Rico, or a province of the Dominion of Canada.

18 "(21) TAX YEAR. The tax year of this state, being
19 the 12-month period commencing on each October 1.

20 "(22) TRAILER. Every vehicle without motive power
21 designed to carry persons or property wholly on its own
22 structure and to be drawn by another motor vehicle.

23 "(23) TRAVEL TRAILER. A vehicle without motive
24 power, designed and constructed as a camping vehicle or a
25 temporary dwelling, living, or sleeping place drawn by a
26 private passenger automobile or a pickup truck, but not
27 including folding or collapsible camping trailers included

1 within the definition of utility trailer, nor manufactured
2 homes as defined in Section 40-12-255(n).

3 "(24) TRUCK. Every self-propelled motor vehicle
4 designed and used primarily for the transportation of property
5 in or upon its own structure, every self-propelled motor
6 vehicle of the types known as "campers" and "house cars," and
7 every vehicle of the type commonly called a wrecker, which is
8 used to move disabled motor vehicles for repair, storage, and
9 other purposes.

10 "(25) TRUCK TRACTOR. Every motor vehicle designed
11 and used primarily for drawing other vehicles and not so
12 constructed as to carry a load other than a part of the weight
13 of the vehicles and load so drawn.

14 "(26) UTILITY TRAILER. A trailer primarily designed
15 to be drawn by a passenger car or pickup truck, including
16 luggage trailers, folding or collapsible camping trailers,
17 boat trailers, personal watercraft trailers, and other small
18 trailers of similar size and function, ~~but shall not include~~
19 ~~boat trailers.~~

20 "(27) VEHICLE. Every device in, upon, or by which
21 any person or property is or may be transported or drawn upon
22 a highway, excepting devices moved by muscular power or used
23 exclusively upon rails or tracks or electric personal
24 assistive mobility devices.

25 "All references in this article to the judge of
26 probate shall be deemed to include the commissioner of
27 revenue, license commissioner, or other county official

1 designated by law to register motor vehicles, issue license
2 plates, and perform other duties in connection with motor
3 vehicle licenses.

4 "§40-12-252.

5 "(a) The following annual license taxes and
6 registration fees are hereby imposed and shall be charged for
7 each trailer, other than manufactured homes, operated on the
8 public highways of this state:

9 "(1) For each privately owned utility trailer, other
10 than a boat trailer or personal watercraft trailer, or travel
11 trailer, which is not operated for hire, lease or rental,
12 twelve dollars (\$12).

13 "(2) For each utility trailer, other than a boat
14 trailer or personal watercraft trailer, rented or leased for
15 compensation of any kind or nature, fifteen dollars (\$15).

16 "(3) For each boat trailer and personal watercraft
17 trailer, twenty dollars (\$20).

18 "~~(3)~~(4) For each truck or tractor trailer or
19 semitrailer, twenty dollars (\$20); ~~and provided, that any.~~ Any
20 trailer or semitrailer used by a farmer exclusively for
21 transporting farm products to and from market or for
22 transporting the personal property of a farmer for his or her
23 own use on the farm shall not be subject to the license taxes
24 and registration fees provided for in this section. Trailers
25 of any kind or description for hauling passengers for hire are
26 prohibited by law and shall not be licensed under this
27 article.

1 "(b) At the option of the owner, a fleet of 50 or
2 more rental utility trailers required to be licensed in this
3 section may be registered for a period of five years, or any
4 number of years to be designated by the commissioner, provided
5 the following requirements are met:

6 "(1) The application shall be made on forms
7 prescribed by the commissioner and shall contain such
8 information as the commissioner may require.

9 "(2) Upon receipt of proper application and fees,
10 there shall be issued for each trailer in the fleet a
11 registration plate which shall be valid for the number of
12 years specified. All plates issued to a fleet shall expire on
13 the last day of the final month of the period for which
14 issued. Should the fleet owner add trailers during the
15 registration period, the registration of the additional
16 trailers shall expire on the same day as the original fleet of
17 trailers are to expire.

18 "(3) The fleet owner shall be required to pay all
19 registration renewal fees due each year for all trailers
20 registered in his or her fleet prior to the expiration date.
21 If the renewal fees are not paid, all license plates and
22 registrations in the fleet shall be cancelled.

23 "(c) (1) The owner of any truck trailer, tractor
24 trailer, or semitrailer, except for manufactured homes, who
25 has complied with Section 32-8-32, in lieu of paying the
26 annual registration fee provided in paragraph (3) of
27 subsection (a), may purchase a permanent license plate which

1 shall not be subject to annual renewal. Notwithstanding the
2 foregoing, the owner of any truck trailer, tractor trailer, or
3 semitrailer who chooses to purchase a permanent license plate
4 shall annually assess the property between October 1 and prior
5 to January 1 on a Business Personal Property Return (ADV-40)
6 in the county where the truck trailer, tractor trailer, or
7 semitrailer is based. Application for the permanent license
8 plate shall be as prescribed by the Department of Revenue and
9 shall be accompanied by a one-time registration fee of sixty
10 dollars (\$60) per permanent plate issued. The permanent
11 license plate shall be displayed on the trailer for which it
12 is issued, shall be valid only as long as the truck trailer,
13 tractor trailer, or semitrailer is titled in this state to the
14 owner who registered the trailer or trailers under this
15 subsection, and may not be transferred to another trailer or
16 to another owner. In the event of the transfer of ownership of
17 the trailer, the owner shall surrender the permanent license
18 plate to his or her county license plate issuing official and
19 no credit or refund of registration fees shall be allowed upon
20 surrender.

21 "(2) It shall be unlawful for anyone to display or
22 operate a trailer displaying a permanent trailer plate on a
23 vehicle other than the trailer originally registered with the
24 trailer plate or to display or operate a trailer with a
25 permanent trailer license plate issued to the previous vehicle
26 owner. Anyone convicted of violating this subdivision shall be
27 guilty of a Class C misdemeanor.

1 "(d) The Department of Revenue ~~shall have the~~
2 ~~authority to~~ may develop and promulgate reasonable rules and
3 regulations as needed to administer ~~the provisions of this~~
4 section."

5 Section 2. Notwithstanding any other laws to the
6 contrary, the revenue collected each month by the judge of
7 probate or other license issuing official from motor vehicle
8 license taxes and registration fees imposed on boat trailers
9 and personal watercraft trailers by the amendment of Section
10 40-12-252 by the act which added this section, shall be
11 remitted to the State Treasurer, who shall distribute the
12 revenue as follows:

13 (1) Fifty percent of the amount shall be distributed
14 to the Alabama Association of Rescue Squads, Inc., to be
15 distributed on an equal basis to all volunteer rescue squads
16 who are members of the association as provided herein with the
17 association counted as one rescue squad and receiving one
18 share. Funds distributed to the rescue squads shall be used
19 solely for the purchase of rescue equipment and the operation
20 of rescue squads providing rescue services. No funds
21 distributed pursuant to this subdivision shall be used for
22 food or beverages or any entertainment purposes. Any rescue
23 squad formed after the effective date of the act adding this
24 section shall become eligible to receive a distribution after
25 the rescue squad has been a member of the association in good
26 standing for five years and has been actively providing rescue
27 services during the five-year period.

1 (2) Thirty percent of the amount shall be deposited
2 in the State Treasury to be used by the Department of
3 Transportation for the construction and maintenance of public
4 boat ramps.

5 (3) Ten percent of the amount shall be deposited in
6 the State Treasury to the credit of the Alabama Peace
7 Officers' Annuity and Benefit Fund.

8 (4) Ten percent of the amount shall be deposited in
9 the State Treasury to the credit of the Department of Public
10 Safety for the repair and maintenance of district trooper
11 posts.

12 Section 3. This act shall become effective on the
13 adoption of a constitutional amendment amending Amendment No.
14 93 of the Constitution of Alabama of 1901, as amended by
15 Amendment No. 354, now appearing as Section 111.06 of the
16 Official Recompilation of the Constitution of Alabama of 1901,
17 as amended, specifying that the Legislature may distribute a
18 portion of the fees for the licensing and registration of boat
19 trailers, including personal watercraft trailers, to rescue
20 squads.